

EXPENSES OF COLLECTING THE REVENUE FROM
CUSTOMS.

L E T T E R

FROM

THE SECRETARY OF THE TREASURY,

RELATING

TO THE PERMANENT ANNUAL APPROPRIATION FOR THE COL-
LECTION OF THE REVENUE.

JANUARY 7, 1902.—Referred to the Committee on Appropriations and ordered to be
printed.

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, January 6, 1902.

SIR: I have the honor to invite attention to the permanent annual appropriation provided by the act of March 3, 1871 (16 Stat., p. 521), section 3687, Revised Statutes, to defray the expenses of collecting the revenue from customs, as follows:

SEC. 3687. There is appropriated, out of any money in the Treasury not otherwise appropriated, the sum of two million seven hundred and fifty thousand dollars, for the expenses of collecting the revenue from customs for each half year in addition to such sums as may be received from fines, penalties, and forfeitures connected with the customs, and from fees paid into the Treasury by customs officers, and from storage, cartage, drayage, labor, and services.*

In 1871, when this legislation was enacted, the miscellaneous customs receipts averaged nearly \$2,000,000 per annum, so that the yearly sum then provided for the support of the customs service was about \$7,500,000. Since 1871 the receipts from these sources have fallen below \$1,000,000 annually, ranging in the last seven years from \$578,000 to \$746,000, thus giving to the service a fund of only a little more than \$6,000,000, a sum wholly inadequate to meet the expenses of collecting the revenue, and necessitating annual calls upon Congress for deficiencies.

It is a well-known fact that the volume of customs business has largely increased in recent years by the enlargement of export and import trade and by the creation of many new customs ports. Therefore,

2 EXPENSES OF COLLECTING THE REVENUE FROM CUSTOMS.

under the present limited provisions for funds to support the service, the Treasury Department repeatedly finds itself without means to meet its obligations to those intrusted with the protection of the revenue and the execution of the customs and navigation laws, such obligations being discharged only after deficiency appropriations have been provided by Congress.

The following table shows the appropriations and expenditures for this service from 1896 to 1902, inclusive, and attention is invited to the fact that the cost of the service has reached \$8,000,000.

Statement of appropriations and expenditures for "collecting revenue from customs," 1896 to 1902.

| Year. | Permanent. | Miscellaneous receipts. | Deficiencies. | Total. |
|-------------------------------|----------------|-------------------------|---------------------------|----------------|
| Appropriated for fiscal year— | | | | |
| 1896 | \$5,500,000.00 | \$619,598.92 | \$1,200,000.00 | \$7,319,598.92 |
| 1897 | 5,500,000.00 | 584,122.30 | 1,191,383.52 | 7,275,505.82 |
| 1898 | 5,500,000.00 | 578,505.33 | 1,150,000.00 | 7,228,505.33 |
| 1899 | 5,500,000.00 | 672,473.41 | 1,200,000.00 | 7,372,473.41 |
| 1900 | 5,500,000.00 | 673,614.98 | 1,400,000.00 | 7,573,614.98 |
| 1901 | 5,500,000.00 | 746,089.67 | ^a 1,500,000.00 | 7,746,089.67 |
| 1902 | 5,500,000.00 | ^b 750,000.00 | (^c) | 6,250,000.00 |

^a Estimates for \$100,000 additional have been submitted to Congress.

^b Estimated.

^c Estimates for \$1,750,000 have been submitted to Congress.

Expenditure, including "detection and prevention of frauds," from the appropriation for—

| | |
|--|----------------|
| 1896 | \$7,310,855.11 |
| 1897 | 7,233,684.04 |
| 1898 | 7,208,027.61 |
| 1899 | 7,302,475.45 |
| 1900 | 7,520,880.98 |
| 1901, with deficiency of \$100,000 asked for | 7,846,000.00 |
| 1902 (estimated) | 8,000,000.00 |

The maintenance of the customs service should not be dependent upon a fund inadequate for its support, as is the case at present with the permanent annual appropriation of \$5,500,000 augmented by contingent miscellaneous receipts.

I have, therefore, to recommend that the permanent appropriation for this service be increased to \$8,000,000 annually, and that section 3687 of the Revised Statutes be amended as follows:

That section 3687 of the Revised Statutes be, and the same is hereby, amended, to take effect July 1, 1902, so as to read as follows:

SEC. 3687. That there is annually appropriated, out of any money in the Treasury not otherwise appropriated, beginning with the fiscal year 1903, the sum of eight million dollars, for the purpose of defraying the expenses of collecting the revenue from customs; and the yearly receipts from fines, penalties, and forfeitures connected with the customs, and from fees paid into the Treasury by customs officers, and from storage, cartage, drayage, labor, and services, now applied to the expenses of collecting the revenue from customs, shall, from and after June 30, 1902, be covered into the general fund of the Treasury.

Respectfully,

L. J. GAGE,
Secretary.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.